

**City of Durham City Council Priorities:
FY 2003-04 Citywide Major Initiatives**

During its Budget Planning Retreats in January and February 2003, the City Council adopted seven goals for FY2003-04. In addition, the City Administration created a goal addressing organizational development. The Administration has developed Citywide Major Initiatives that it will pursue this fiscal year in order to succeed in accomplishing the City's goals.

The Citywide Major initiatives related to the Council goals included in the FY 2003-04 Budget are outlined below. The Administration will report to the City Council on a quarterly basis. Each Major Initiative will be accomplished through a variety of strategies, which are also outlined below.

Council Goal: **To improve the quality of life by reducing the incidence of crime.**

Major Initiative 1: *Reduce the incidence of crime.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Increase Police Visibility	Police
Enhance Crime Analysis	Police
Violent Crime Initiative	Police
Weed and Seed	Police, Housing

Council Goal: To improve the quality of life by addressing the root causes of crime.

Major Initiative 2: *Through education, enforcement, community development, communication and environmental controls, address the root causes of crime.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Turning Point Gang Initiative	City Manager, Police, et al
Hispanic Outreach Initiative	Human Relations, Police
Weed & Seed	Housing, Police
NECD Revitalization	Housing
Eagle Village/NCCU	Housing
Walltown	Housing
Rolling Hills	Housing, City Manager
City Government tours for school-aged children	Public Affairs
Fire Prevention Inspection	Fire
ATF Gun Reduction Initiative	Police
Project Safe Neighborhoods	Police
Crime Prevention Through Environmental Design (CPTED) Standards	Planning, General Services
Youth Advisory Council	Parks & Recreation
Sexual Harassment Awareness Workshop	Human Relations
Spanish Language Radio Show	Human Relations
Recreation programs assessment	Parks & Recreation

Council Goal: To improve the quality of life by ensuring the availability of, and access to, adequate, safe and affordable housing for every resident.

Major Initiative 3: *Increase the number of Affordable Housing Units.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Barnes Avenue Revitalization	Housing
Rolling Hills Redevelopment	Housing
Gattis Street Redevelopment	Housing
First Time Homeowners Program	Housing
Develop an Affordable Housing Incentive Program	City Manager, Planning, Housing

Major Initiative 4: *Increase the Safety of Housing.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Code Enforcement	Housing
Housing Demolition	Housing
Housing Inspections	Housing
Fair Housing Training	Human Relations
Implement A Pilot Volunteer Neighborhood Code Enforcement Program	Housing, City Manager

Council Goal: To provide economic development activities that will reduce poverty by increasing citizen access to high quality jobs while increasing the City's tax base.

Major Initiative 5: *Provide assistance in the implementation of major redevelopment projects for downtown.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Events Theatre Project	OEED
Renaissance Centre Project	OEED
Downtown Street Improvement Project	Public Works
Woolworth & Parrish Street Redevelopment	Public Works, OEED, General Services
Multi-Modal Project	Public Works, OEED, General Services
Special Events Programming in Downtown	OEED
Liggett Project	OEED
DDI Collaboration, including an Arts and Retail Incentive Program	OEED
USA Baseball	General Services
Preparatory work toward conducting a feasibility study of expanding the Civic Center	City Manager

Major Initiative 6:

Provide assistance in the implementation of key redevelopment projects within the City's neighborhoods.

Departmental Strategies:

Departmental Strategy	Responsible Department
Northeast Central Durham	OEED, Housing
Eagle Village/NCCU	OEED, Housing
Walltown	OEED, Housing
Rolling Hills	Housing, City Manager
Barnes Ave.	Housing
Gattis Street	Housing

Major Initiative 7: *Implement a comprehensive and responsive business development strategy that will support business formation, retention, expansion, relocations and employment opportunities within the city.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Development of single point of access for businesses	OEED
Workflow Automation/One-Stop Shop for Planning/Inspections	Planning, Inspections, Technology Solutions
Business expansion and relocation assistance	OEED
Regulatory Assessment	OEED
Product Assessment	OEED
Enhance workforce development system	OEED
Connecting Communities	City Manager, OEED, Parks
Development of an email address database for contractors/developers	Inspections
Equal access to Jobs	Human Relations
Implementation of EBOP Ordinance and program	EOEA

Major Initiative 8: *Create strong relationships with three primary colleges and universities to maximize economic growth in the City.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Master Plan development assistance	Planning
Business development opportunities (Technology Transfer)	OEED
Small business coordination	OEED

Council Goal: To improve the livability of the City by managing the City's growth, protecting and preserving the environment, and maximizing the efficient use of public infrastructure.

Major Initiative 9: *Balance demands for new infrastructure with the need to maintain existing infrastructure.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Investigate consolidation of all water utility functions	ERD, Public Works, Finance
Water treatment security improvements	ERD
Water & Sewer System Major Maintenance	ERD
Water & Sewer System Benchmarking	ERD
Water Conservation Program	ERD
Partnership for Safe Drinking Water	ERD
Street Maintenance	Public Works
Signalization improvements and Red Light cameras	Public Works
Study Consolidation of Regional Transit System	Public Works

Major Initiative 10: *Manage growth for sustainability by directing development to those areas with infrastructure capacity while avoiding environmentally sensitive areas.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Comprehensive Plan Completion	Planning
Telecommunication Tower Location/Zoning Ordinance	Planning
Complete the Unified Development Ordinance	Planning
Maintain Efficient Review Processes on Development Proposal	Planning
Administer/control expansion of city streets, sidewalks, water and sewer.	Public Works
Transit System sustainability and consolidation efforts	Public Works

Council Goal:

To improve the City's image by preserving and enhancing the community's aesthetic beauty and natural assets and by building upon the rich and diverse cultural heritage of the community.

Major Initiative 11:

Implement a citywide beautification initiative to enhance community aesthetics.

Departmental Strategies:

Departmental Strategy	Responsible Department
Durham Beautification Initiative	Solid Waste, Public Works, General Services, Parks
Unified Development Ordinance	Planning
Redevelopment of Rolling Hills	City Manager, Economic Development, Housing
Redevelopment of Barnes Avenue	City Manager, Economic Development, Housing
Thoroughfare lighting on MLK	Public Works
Increase mowing for sewer outfalls	Public Works
Pavement Condition Survey	Public Works
Housing Code Enforcement Initiatives	Housing and Community Development

Major Initiative 12: *Improve City outreach efforts to increase and build community relationships.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Hispanic Initiative	City Manager, Human Relations
Promote bilingual hiring	Human Resources, Emergency Communications, Parks, Housing
Implement new Equal Business Opportunity Program	EOEA
Develop Local Project Coordination Initiative to promote opportunities for MWBE firm participation in city-sponsored projects.	EOEA
MWBE Reporting – SB 914	EOEA
Spanish language radio show	Human Relations
Diversity Training for the Police Department	Human Relations
Neighborhood Academy	City Manager, Human Resources
Implement Communications Plan	Public Affairs

Council Goal: To maximize the efficient and effective management of and accountability for the City's financial resources.

Major Initiative 13: *Improve the City's overall management information systems to enhance financial control, resource allocation and decision-making abilities.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Enterprise Resource Planning	Technology Solutions, Finance, Human Resources
Housing Loan Record Keeping	Housing and Community Development
Stationery Container Database	Solid Waste
IT Disaster Recovery Plan	Technology Solutions
Project Management Software Implementation	General Services
Technology Steering Committee	Technology Solutions, City Manager

Major Initiative 14: *Change and refine business processes to ensure effective management and accountability of the City's financial resources.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Review & Update Finance Policies	Finance
Centralize procurement functions	Finance
Employee Training on Financial Policies	Human Resources, Finance, Audit Services
Quarterly Reporting	Finance, Budget, Audit Services
Performance Measurement	Budget

Major Initiative 15: *Explore opportunities to maximize the return on our investment in City services.*

Departmental Strategies:

Departmental Strategy	Responsible Department
Activity based costing/benchmarking	General Services
Managed Competition	Budget
Non-City Agency Grant Process	Budget
Two year CDBG/HOME grant cycle	Housing
Electronic Meter Reading	Public Works
Workflow automation project/one-stop shop	Technology Solutions, Planning, Inspections
Increase automated waste collection	Solid Waste
General Services quality assurance	General Services
Deferred maintenance initiatives	General Services

Administration Goal: **To create an environment that supports employees' efforts to respond to customer needs by making continuous improvements to our processes, services and infrastructure.**

Major Initiative 16: *Promote the development of a twenty-first century organization.*

Departmental Strategies:

Departmental Strategy	Responsible Department
DurhamFirst Initiative	City Manager, Human Resources, Public Affairs
Customer Service Call Center	City Manager, Public Affairs
Agenda Automation	Technology Solutions, City Manager
Leadership Development Program	Human Resources
Implement Pay for Performance Program	Human Resources

Major Initiative 17:

Investigate opportunities for reorganizations and efficiencies to ensure continuous improvement in the City.

Departmental Strategies:

Departmental Strategy	Responsible Department
Consolidate all water and sewer functions into a single department to create a utility department	City Manager, ERD, Public Works, Finance
Investigate overlapping functions in our departments that deal with infrastructure, assets and maintaining the city.	Public Works, General Services, Solid Waste, and Parks & Recreation.
Managed Competition	Budget
Partnership with Duke University in Leadership Training and Managed Competition.	City Manager, Budget, Human Resources
Enter into discussions with Durham County regarding roles and responsibilities as defined in interlocal agreements and state law.	City Manager, Planning, Emergency Management, Emergency Communications, Inspections, GIS
Centralize and re-engineer the Purchasing and Contracts functions.	Finance, City Manager
Review Human Relations Function in light of recent Supreme Court ruling.	Human Relations, City Manager

BUDGET AND FINANCIAL POLICIES

The City of Durham's budget and financial policies serve as the basis for developing the annual operating budget and the six-year Capital Improvement Program. The policies also serve as the basis for the City's overall financial management.

The Local Government Budget and Fiscal Control Act governs much of the activities that occur in budget preparation and execution. The City has placed other policies on itself voluntarily in order to address issues that are specific to Durham. Both types of policies are noted below.

Operating Budget Policies

State Statutes:

- The City of Durham will operate under an annual balanced budget ordinance in which the sum of estimated net revenues and appropriated fund balance is equal to appropriations.
- By State Statute, the annual budget for all City funds, including enterprise funds, is prepared using the modified accrual basis of accounting. This basis of accounting recognizes revenues either when they are received in cash (such as licenses or fines) or when the collection of the amount can be reasonably estimated to be received in the near future (such as property taxes). Expenditures in a modified accrual system are generally recognized in the period in which goods or services are received or when a liability is incurred. Beginning with the FY 2001-02 Comprehensive Annual Financial Report, the City is accounting for its funds on both a full accrual and a modified accrual basis, in compliance with GASB 34.
- The General Fund and the Civic Center Fund have officially adopted annual budgets. The appropriations in the budget ordinance within the general fund are on a functional basis. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for the remaining funds, all governmental and enterprise funds have legally adopted balanced budgets.
- The City may establish and operate one or more internal service funds. At the same time that it adopts the budget ordinance, the City Council must approve a balanced financial plan for each internal service fund. A financial plan is balanced when estimated expenditures do not exceed estimated revenue.
- All grants received from the Federal or State government for operating or capital purposes will be recognized in separate grant project ordinances. A balanced grant project ordinance must be adopted prior to beginning the project. A grant project ordinance is balanced when estimated expenditures do not exceed estimated revenue. Information on each grant project ordinance is included in the Annual Budget.

- The City's budget ordinance will cover a fiscal year beginning July 1 and ending June 30. In order to have the budget ordinance approved by July 1, the Preliminary Budget, together with a budget message, will be submitted to the City Council no later than June 1.
- A public hearing will be held on the Preliminary Budget prior to adoption of the budget ordinance. Notice of this public hearing will be published in the Herald-Sun. This notice will also state that the Preliminary Budget has been submitted to the City Council and that a copy of the budget is available for review in the City Clerk's office.

City Policies:

- The City's budget will be presented in a program budget format that includes program summaries, current year accomplishments, proposed year budgetary changes, proposed strategies to be employed, and performance measures for each major program or service.
- The City's budget will include five-year revenue and appropriation projections for the General Fund and all enterprise funds. These projections integrate the current financial picture with the outlook over the next five years.
- The City Manager has the authority to transfer funds within a departmental budget or within a functional category as set in the budget ordinance (i.e. from Fire to Police, within the same fund). The Budget and Management Services Department staff reviews all budget transfer requests and authorizes all transfers at or below \$5,000. The City Manager or Assistant City Manager must authorize all transfers above \$5,000. All administrative budget transfers are documented by the Budget and Management Services Department and tracked in the City's general ledger.
- A budget ordinance amendment is necessary whenever a change is required in the original Budget Ordinance. Examples of such changes include changes to fund total or changes between functional category (i.e., moving funds from the Nondepartmental category to the Governance category in the General Fund). Any amendment must ensure that revenues and appropriations remain balanced. Budget ordinance amendments must be approved by the City Council. All budget ordinance amendments are documented by the City Clerk and the Budget and Management Services Department and tracked in the City's general ledger.

Fund Balance Levels

(City Policy, by resolution adopted June 21, 1999)

General Fund

- The City Council deems it desirable to achieve an undesignated fund balance level of 15% of adjusted appropriations. "Adjusted appropriations" shall equal total appropriations minus appropriations for debt service and transfers to other funds.

- Undesignated fund balance as a percentage of adjusted appropriations shall be no less than 12% of General Fund adjusted appropriations.
- Any fund balance between 12% and 15% of adjusted General Fund appropriations may be appropriated by the City Council, at its discretion, provided that the level of undesignated fund balance is not reduced below 12%.
- To limit the use of fund balance in the General Fund in any two-year budget preparation cycle, the maximum appropriation from fund balance shall be equivalent to a total of four cents on the prevailing tax rate over the two-year planning period.
- Any fund balance beyond 15% of General Fund adjusted appropriations shall be transferred to the Capital Projects Fund. This transfer shall be made upon completion of the annual financial audit. It is the intent of the City Council to effect this transfer through an amendment to the subsequent year's Budget Ordinance

In FY 2002-03, the City reduced its fund balance level to 10% due to the withholding of revenue by the State of North Carolina. For FY 2003-04, the proposed budget maintains the fund balance level at 10%. Beginning in FY 2004-05, we anticipate increasing our fund balance in order to achieve our 12% minimum goal.

Capital Improvement Program

State Statutes

- The City will appropriate all funds for capital projects with a capital project ordinance in accordance with State Statutes.

City Policies

- The Capital Improvement Program (CIP) is a statement of the City of Durham's policy regarding long-range physical development. This plan is developed for a six-year period and is updated and revised annually. To be included in the CIP, the project must require a total expenditure of \$100,000 and have a useful life of at least ten years.
- In all likelihood, the completion of capital projects will impact the department's operating budget as projects are completed and require maintenance and upkeep. Consequently, the impacts of capital projects on the annual operating budget are estimated and noted in the CIP.
- It is essential that CIP project proposals support, rather than contradict, plans and policies previously adopted by the City Council in order to coordinate and direct the physical development of the City. In evaluating each CIP proposal, particular attention is given to conformity of proposals with the Comprehensive Plan, the City's broadest overall policy and planning tool for managing growth.
- The CIP assumes the use of installment sales financing exclusively for either facilities that house City functions or facilities that are joint private-public ventures. This assumption is

consistent with the stated goals of maintaining the existing infrastructure and providing City services in an effective and efficient manner.

- The CIP assumes the dedication of investment income toward general capital projects. By City Council resolution, all investment income derived by the General and Capital Projects Funds is dedicated to the Capital Projects Fund. This allows the City the flexibility to accelerate or decelerate the spending schedules for capital projects funded on a pay-as-you-go basis depending on the rate of return received for the City's pooled cash. **(In FY 2002-03, the City suspended its pay-as-you-go capital investment due to the withholding of revenues by the State of North Carolina. Due to the continued slow economy, the City has not restored this appropriation for FY 2003-04.)**
- The City will use revenue bonds and pay-as-you-go financing for water and sewer capital projects. The City will plan the use of water and sewer operating fund appropriations to capital projects on a multi-year basis to ensure that any future rate increases will be as level as possible throughout the planning period.